

SITTING ON OUR ASSETS: THE GEORGETOWN HEATING PLANT

(112-89)

HEARING
BEFORE THE
SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
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U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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June 14, 2012

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BRIEFING MEMORANDUM

TO: Members of the Subcommittee on Economic Development, Public Buildings and Emergency Management
FROM: Subcommittee on Economic Development, Public Buildings and Emergency Management Staff
SUBJECT: Oversight Hearing on "Sitting on Our Assets: The Georgetown Heating Plant"

PURPOSE

The Subcommittee on Economic Development, Public Buildings and Emergency Management will meet on Tuesday, June 19, 2012, at 10:00 a.m., at the Georgetown Heating Plant located at 1051 29th Street, NW, Washington, D.C. to receive testimony from the General Services Administration (GSA). The hearing will focus on the costs to the taxpayer of underperforming or vacant assets and ensuring that the process for the planned sale of the Georgetown Heating Plant provides the highest return to the taxpayer.

BACKGROUND

To address the problem of vacant and underutilized space, H.R. 1734 was introduced and passed the House in February of this year. H.R. 1734 would create a civilian BRAC-like process to create savings by shrinking the Federal footprint and selling or redeveloping under-used buildings. In February, the Subcommittee held its second hearing at the vacant Old Post Office Annex to further highlight the problems of vacant and underutilized space. Shortly before the hearing, GSA finally announced its selection of a developer, the Trump Organization, to redevelop that building after more than a decade of wasting taxpayer dollars. In addition, in March of this year, the Subcommittee held a hearing at the vacant Cotton Annex highlighting the continued problem of vacant federal buildings and underperforming assets.

General Services Administration

The Subcommittee has jurisdiction over all of GSA's real property activity through the Property Act of 1949, the Public Buildings Act of 1959, and the Cooperative Use Act of 1976. These three Acts are now codified as title 40 of the United States Code. The Public Buildings Service (PBS) is responsible for the construction, repair, maintenance, alteration, and operation of United States courthouses and public buildings of the Federal Government. Additionally, PBS leases privately owned space for Federal use. GSA owns or leases 9,600 assets and maintains an inventory of more than 362 million square feet of workspace. GSA acts as the "landlord" for the Federal government, obtaining and managing space to meet the space needs of other Federal agencies. GSA, however, is just one of nine¹ Federal agencies that, in total, own or manage 93% of Federal real property.

Management Issues

Given the vast real estate holdings of the Federal Government, poor asset management and missed market opportunities cost taxpayers significant sums of money. For this reason, in 2003, the Government Accountability Office (GAO) placed real property management on its list of "high risk" government activities where it remains today. GAO conducts biennial reviews on high-risk areas within the Federal Government to bring focus to specific areas needing added attention and oversight. Areas are identified as "high risk" due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement or areas that need broad-based transformation to address major economy, efficiency, or effectiveness challenges.

The key reasons the GAO identified Federal real property as high risk are:

- excess and underutilized real property,
- deteriorating and aging facilities,
- unreliable property data, and
- over reliance on costly leasing.²

Unfortunately, these problems persist despite executive orders and memoranda issued during two administrations and acts of Congress intended to improve the management of Federal real property.³ The high risk activities of Federal real property are significant. Considerable amounts of vacant or underperforming assets can translate

¹ The other major land-holding departments and agencies include the Department of Defense, Veterans Affairs, Department of Energy, Department of Homeland Security, Department of the Interior, Department of State, National Aeronautics and Space Administration, and the U.S. Postal Service.

² See *High Risk Series: Federal Real Property*. U.S. General Accountability Office, GAO-03-122, January 2003.

³ See, for example, Executive Order 13327, Federal Real Property Asset Management, signed by President George W. Bush, February 4, 2004; Presidential Memorandum, Disposing of Unneeded Federal Real Estate, signed by President Barack Obama, June 10, 2010; Public Buildings Cooperative Use Act of 1976; Public Law 108-447, Division H, Title IV, Section 412, December 8, 2004 (providing enhanced flexibility to GSA in real property management).

into significant costs associated with their operation, maintenance, and security. For example, in fiscal year 2009, the Federal Government spent \$1.7 billion in annual operating costs for under-utilized buildings and \$134 million annually for excess buildings.⁴

GSA's Authorities

The Committee has long advanced reforms to ensure GSA would have appropriate authorities to better manage Federal real estate. For example, the Committee approved two pieces of legislation in 2003 -- the Federal Property Asset Management Reform Act of 2003 and the Public Private Partnership Act of 2003 -- although the legislation was not enacted into law. Those pieces of legislation would have provided GSA authority to enter into public-private partnerships and lease back arrangements with private developers and retain the proceeds from sales. The core authorities proposed in the bills were similar to those enacted as part of the Southeast Federal Center Public-Private Development Act of 2000, which provided for the redevelopment of the Southeast Federal Center in Washington, D.C.

Permanent authorities were not enacted due in large part to changes in the scoring of public private partnerships by the Congressional Budget Office (CBO), which requires an accounting of liabilities of any future government leasing. The scoring changes disadvantaged actions that could be taken to minimize upfront costs to the taxpayer and leverage the government's interest in property. Those scoring changes also failed to take into account the costs avoided in having to construct new office space with taxpayer dollars.

However, the core authorities included in the reform legislation in 2003 were eventually enacted into law through section 412 of the FY 2005 Consolidated Appropriations Act, which allows GSA to retain net proceeds from dispositions of its real property through sale, lease, exchange, or otherwise, including leaseback arrangements. GSA also has authority under section 585 of title 40 of the U.S. Code to enter into 30 year ground leases with a private entity such as a developer and lease back the space.

The authorities contained in Sections 412 and 585 provide GSA with significant authority to sell or redevelop underutilized properties and enter into public private partnerships to offset costs associated with renovating or creating Federal space.

The Georgetown Heating Plant

The Georgetown Heating Plant, also known as the West Heat Plant, was constructed in 1948 to provide steam to federal buildings on the west side of the city. The plant was decommissioned in 2000 and subsequently served as a fuel storage site and a parking facility for government vehicles. Since ceasing operation as a steam plant, the facility has cost the taxpayer more than \$3.5 million in operating expenses, despite the

⁴ FY2009 Federal Real Property Report, Federal Real Property Council, September 2010, p. 5.

fact that the facility sits in the densely developed area of Georgetown adjacent to high value real estate development.

The facility was only declared surplus property in November 2011, 11 years after it was closed as a steam plant. GSA is now commencing its marketing and appraisal efforts and intends to sell the property through a public sale targeted for the Fall of 2012. GSA intends the property to be sold "As-is, Where-is" and there is no indication as to how the local city agencies will zone the site for private use. However, immediately surrounding the facility is dense commercial and residential development, including retail, hotels, and residences.

The Georgetown Heating Plant is an example of an underperforming building that if sold or redeveloped to better use could provide a positive return to the taxpayer. While GSA is now proceeding to a sale of the facility that sat idle for 12 years, maximizing the return to the taxpayer of this high value asset is critical.

WITNESS

Mr. Flavio Peres
Deputy Assistant Commissioner
Real Property Utilization and Disposal
U.S. General Services Administration

SITTING ON OUR ASSETS: THE GEORGETOWN HEATING PLANT

TUESDAY, JUNE 19, 2012

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met pursuant to notice at 10:00 a.m. at the Georgetown Heating Plant, 1051 29th Street, NW., Washington, DC, Jeffrey Denham (Chairman of the subcommittee) presiding.

Mr. DENHAM. The subcommittee will come to order. I want to first thank Chairman Mica for joining us this morning, thank him for his tireless work on this issue and his leadership; did the “Sitting On Your Assets” report prior to the 112th Congress, and we appreciate him being here.

First, let me say the Federal Government wastes billions of dollars every year on underutilized, unused, vacant buildings just like this one. This administration has said this issue is a priority, yet neither GSA, Acting Administrator Tangherlini, nor the current head of the Public Buildings Service, Ms. Chero, are here today.

While I appreciate Mr. Peres joining us, work on this project, I am troubled the new GSA leadership could not make time to be here with us today. This is the fourth hearing in a vacant building this Congress. We held two in the vacant annex of the Old Post Office, and most recently the vacant Cotton Annex.

The Post Office Annex sat vacant for more than a decade, and a developer was only selected to redevelop that site earlier this year. The Cotton Annex sat empty for more than 5 years on land valued at \$150 million. This is an area that has nearly, or maybe possibly more, than 5 million square feet of leased space; yet, these buildings are going vacant, undeveloped, and underutilized.

GSA still has not decided what to do with this building. Today we’re in Georgetown Heating Plant. This building has sat vacant for more than a decade, costing the taxpayers over \$3.5 million. But, those costs don’t account for the lost opportunities. This building sits in one of the more expensive real estate areas in the Nation’s Capital surrounded by development and waterfront. Yet, until last November, none of these properties were on the Government’s list of excess properties.

The Government has a list of 14,000 properties, and many of these properties that we continue to hold hearings at aren’t even on that list. I’m pleased that GSA is finally taking action on this site; however, its past experience is any indication. The question is

will the taxpayer get the highest return possible on the valuable property. Just 2 years ago, GSA sold a high-value asset in the middle of Bethesda, Maryland, for only pennies on the dollar.

After years of sitting idle, GSA chose to sell at the bottom of the real estate market and seem to take few steps to ensure the taxpayer realized the significant value in that property. We have to ensure that GSA does all it can to sell this property at the highest and best use. And why did it take so long to get to this point? This plant was decommissioned in 2000, but yet it took until November of 2011 to even declare it surplus. This is exactly why I introduced and the House passed the Civilian Property Realignment Act to get agencies like GSA to get rid of or redevelop unneeded properties.

And what makes matters worse is even after this building is sold, GSA continues to compound the problem of vacant space. For ever step forward, GSA seems to take two or three steps back, while GSA is finally selling this property. Across the State in my home State of California, Los Angeles, GSA is creating more empty space just as GSA has done in Miami, in New York and other big cities around the Nation.

GSA plans to build an unneeded \$4 million courthouse in Los Angeles, and then abandon a functioning courthouse six times as large as this Georgetown building. It seems for every vacant building finally sold by GSA, they continue to create even more wasted space. And despite our budget deficit and despite even the direction of President Obama's own real property directive in 2010, GSA continues to cooperate as if business as usual.

It is unacceptable and it is costly to the taxpayer. We hope today to hear why it has taken so long to sell this building, how GSA intends to ensure the taxpayer gets the greatest return on its sale, and how many vacant buildings like this does the Government actually own.

Again, I want to thank our witnesses with us today; and, at this time, I would like to recognize the full committee chairman, Chairman Mica.

Mr. MICA. Thank you. Thank you. First of all I thank the subcommittee chair, Mr. Denham, for his leadership and his determination to move forward trying to get some of these public assets in the win column for the taxpayers. I thank Ms. Norton for coming this morning to this incredibly valuable piece of property.

Now, listen to this. This is over 2 acres in the heart of Georgetown. This is probably some of the most costly real estate on the east coast, certainly in the District of Columbia and in the United States; and, as you heard Mr. Denham say, for more than a decade no one made a decision to move forward with disposing of this building.

Now, maybe the inside isn't very pretty and the outside, again, may have some value to it, the core structure. I understand this building is also above the normal height limitation, so it does have some real estate value. But for more than a decade, it sat idle. Now, if you are wondering if we came here to embarrass GSA and highlight this building, then you are right on target.

Mr. Denham and I set out, like a few weeks after I became chairman of the full committee last February, we did our first hearing. Some of you were in that cold, frozen building. The annex for the

Old Post Office that sat vacant two blocks from the White House for 15 years. If you are wondering what we are going to do after this, then you haven't read our report.

The report is "Sitting on Our Assets: The Federal Government's Misuse of Taxpayer-Owned Assets." We wrote this as Mr. Denham also pointed out in October of 2010. That was the same month that Mr. Neely was sitting in his hot tub in Las Vegas, no one minding the store when the other folks had control. We set out a plan and we intend to take this plan and ensure that the Federal Government and GSA stop sitting on valuable assets.

So far, Mr. Denham and I have done two hearings at the annex to the Old Post Office, the last hearing we did in an empty building. Some of you were there. It was the Cotton Annex. Today is our third hearing. Now, this is our score card, folks. We only have Mr. Denham. There are 14,000 either vacant or partially vacant, or underutilized properties under the purview of the Federal Government. So we have 13,997 to go, and I hope you will be with us for all of those events.

We will go from one end of the country to the other end of the country. We just started here in our Nation's Capital; but, as you heard, the scene you see today with the building sitting here, again, for over a decade, is repeated across the country. I happen to be a former businessman and in real estate. Any company that allowed this to happen would be bankrupt, would be defunct, except for the Federal Government. Because a few blocks from here, there is a very full building that's operating 24/7.

That's where they are printing the funny money to keep this game and fiasco going. Now, let me tell you something. We came down the Whitehurst Freeway just a few minutes ago. Did you see the sign up on this building? I was told the sign was put up yesterday morning. Did you see the sign when you entered? So, actually, before holding and announcing this meeting, there was no sign on the building, and the property was not put on the market for sale as you would do. It was probably one of the least expensive ways of putting it on the market.

So we made some progress, Mr. Denham. We have got ways to go. There are other properties around here we could highlight. I have a proposal to consolidate the Federal Trade Commission Operations, which are now at least three locations. And they asked for 427,000 square feet. Heaven forbid they should consolidate some space allowing other agencies to take private sector money and develop an old building!

We wouldn't want to do that, because that would save the taxpayers between \$400 and \$500 million, and that is a half a billion dollars on one transaction. So here we sit in an empty building in the heart of our Nation's Capital. The most expensive real estate that you can find anywhere in the United States and on the east coast and in the Nation's Capital. Nothing was done for 10 years; so, yes, we are here to highlight it. Yes, we are here to try to bring this to a halt, and we will do it one way or the other.

Now, again, I am disappointed in not having had the cooperation of the acting administrator. I can tell you how hard it is to get anything done when you have an administrator, let alone an acting administrator in an agency that is in turmoil and which many of the

leaders, and actually show who testified at our very first frozen a la carte to hearing down the street.

Some of those people had to step down, but we are going to do it either with or without GSA. We will do it now or we will do it in the next Congress, but we are going to keep the Federal Government from sitting on valuable assets. I will say that today. I will say that tomorrow, and we will say it until we get it done. With that, those are my comments; and, again, I look forward to working with everyone: the chairman, ranking member, Mr. Hanna, everyone in a positive fashion to move this forward. And, again, if you want the blueprint for what we are going to do, just go online and read it. Thank you and I yield back.

Mr. DENHAM. Thank you.

At this time I would like to recognize the ranking member, Ms. Norton, for any opening statement she may have.

Ms. NORTON. Thank you, Mr. Chairman.

The Georgetown West Heating Plant where this hearing is being held this morning, an underutilized General Services Administration building on prime land in the Georgetown neighborhood of the District of Columbia has been put on the market for sale. However, the plant, built in the late 1940s, had remained underutilized with no clear plan for full utilization over the past decade until the Obama administration began the disposal process in 2011.

Part of the administration's efforts to dispose of and redevelop underutilized Federal properties, that effort led to the administration's submission of the Civilian Property Realignment Commission proposal to Congress still pending here for identifying Federal properties for sale, disposal or consolidation. Since GSA began to market this property for sale, the private sector has shown strong interest, and not surprisingly. With the potential of returning a significant financial gain of return to U.S. taxpayers, not unlike the award of the contract for redevelopment of the Old Post Office Building earlier this year, several questions about the site are immediately apparent.

Beginning in 2000, instead of undertaking a cost benefit analysis to determine the highest and best use of this Georgetown property, GSA cited a number of reasons for the delay of its disposal or use, including the possibility of using the site for backup generation of power, the cost of cleanup, and questions about whether the Department of Interior controls parts of the site. Has the value that GSA obtained from the property plus its investment of over \$3.5 million towards maintaining it been greater than the value the Government would have received from selling or developing the property over the past 10 years?

Has the contribution to maintaining the plant been a wise use of the diminished Federal buildings fund? In furtherance of the ongoing sale of the property, GSA is currently undertaking the required National Environmental Policy Act and National Historic Preservation Act processes for property disposal with the anticipation that these activities will be completed later this summer. My expectations are that GSA should work closely and quickly with the District of Columbia Deputy Mayor for Economic Development to coordinate local zoning to the extent it is possible to ensure a maximum financial return to Federal taxpayers.

Several months ago, I requested information on vacant or underutilized properties in the District of Columbia. At that time, the Georgetown West Heating Plant that is the subject of today's hearing was listed. I will want to know today where the other properties on that list are in the disposal process and what steps have been taken to dispose of them, particularly the Cotton Annex where the subcommittee held a hearing in March.

I am skeptical about the other two properties in the District of Columbia that remain underutilized. Can GSA justify the U.S. Secret Service claim that it needs a valuable abandoned property at 9th and H Street, Northwest? Why is a warehouse in downtown DC that was planned for the Veteran's Court of Appeals still vacant? As far as I'm concerned, there is a presumption against holding any property for an agency for an extended period of time unless GSA has reasons serious and realistic enough to overcome this presumption.

I look forward to hearing from GSA today about its plan to auction off the Georgetown West Heating Plant and steps it has taken and will need to take to address the underutilized and excess properties across the country. And I thank you both, Chairman Denham and Chairman Mica.

Mr. DENHAM. Thank you, Ms. Norton.

Mr. Hanna, statements?

Mr. HANNA. At this time I would like to invite Mr. Peres with an opening statement. He is our panel today: Mr. Flavio Peres, deputy assistant commissioner for real property utilization and disposal, U.S. General Services Administration. I would like to welcome him today, thank him for being here, and ask unanimous consent that our witness's full statement be included in the record. Without objection, so ordered.

Since your written testimony has been made part of the record, the subcommittee would request that you limit your oral testimony to 5 minutes.

Mr. Peres, you may proceed.

TESTIMONY OF FLAVIO PERES, DEPUTY ASSISTANT COMMISSIONER FOR REAL PROPERTY UTILIZATION AND DISPOSAL, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION

Mr. PERES. Thanks, Mr. Chairman. Good morning Chairman Mica, Chairman Denham, and Ranking Member Norton and Congressman Hanna.

My name is Flavio Peres and I am the deputy assistant commissioner for real property utilization and disposal at GSA's Public Buildings Service. Thank you for the invitation to join you here today at the West Heating Plant, an exciting development opportunity in the heart of the district that GSA will auction off later this year. This property is an example of GSA's revitalized push to aggressively right-size its portfolio in our ongoing efforts in line with the administration's goals to better utilize Federal real property. While GSA has a large real estate portfolio to manage, the broader Federal Government portfolio is far more extensive.

In fiscal year 2010, 24 landholding agencies report approximately 890,000 buildings and structures governmentwide. Of which

14,000, Mr. Mica pointed out this morning, were described as excess, indicating that agencies had no further mission need for the asset. The administration has moved aggressively to ensure that Federal agencies better utilize their real estate. In June 2010, the President issued a memorandum entitled, “Disposing of Unneeded Federal Real Estate,” which charged civilian agencies to more effectively utilize space, reduce operating costs, and dispose of unneeded real property to save \$3 billion by the end of fiscal year 2012.

More recently, OMB issued a May 2012 memorandum entitled, “Promoting Efficient Spending to Support Agency Operations” that stated, among other things, that agencies should not increase the size of their civilian real estate inventory. Any increase in an agency’s total square footage of civilian inventory must be offset through consolidation, co-location or disposal of space. From my vantage point, these initiatives, along with the continued discussion on real property reform, are improving the Federal Government’s management of real estate, ensuring that agencies’ decisions are made in a cost-effective way, and saving taxpayers money.

Of the approximately 890,000 buildings and structures, GSA controls 9,000 assets. In square footage, this comprises about 12 percent of the total Government inventory. GSA leads the market with its vacancy rates and utilization. Only 3 percent—again, 3 percent—of GSA’s portfolio has been classified as under or not utilized. Although we work diligently to identify unneeded assets for disposal, it is important to note that not all properties labeled as underutilized are available for sale. Most of GSA’s underutilized assets are either leases that are now occupied or have expired, or property that is undergoing major building modernizations that will be backfilled with other tenants.

Of the 14,000 assets categorized as excess, GSA identified 124 as excess to our own agency needs and began the disposal process for these assets. The other 13,876 are from agencies other than GSA, constituting the vast majority of excess Federal assets. Again, let me stress, 13,876 of the 14,000 assets cited are managed by landholding agencies other than GSA. Our low numbers of underutilized assets are a testament to a major portfolio restructuring, and it was implemented over the past decade, aimed at rightsizing our real estate portfolio.

In the last 10 years we have disposed of over 280 GSA assets valued at \$260 million. In addition to managing our own inventory, GSA has authority to dispose of most properties governmentwide. GSA develops tailored disposal strategies specific to an asset’s characteristics, environmental issues, community concerns, political concerns and market conditions affecting the repositioning of the unneeded asset.

Similarly, when preparing a property for public sale, GSA develops marketing plans that optimize the public offering. We use tools and techniques common to the private sector, designed to reach very broad audiences and to target specific interests. While GSA has the expertise to successfully navigate properties through this process, each individual landholding agency is responsible for making their own asset management decisions and whether that asset is excess to their needs. In the last 10 years, GSA has disposed of

over 2,600 governmentwide assets, generating over \$2.4 billion in proceeds.

Today, the committee has chosen to host the hearing at the West Heating Plant, a property that will soon be available for sale at realestatesales.gov. The plant sits on a little more than 2 acres of land in prime location in the District. The plant was built in 1948 to provide steam services to the Government buildings on the West Side of the city. The plant ceased steam service in 2000 and since then the site has served as a backup steam location, as well as providing backup fuel storage capacity and spare parts for GSA's Central Heating Plant.

As part of our efforts to better utilize real estate, GSA formally declared the parcel excess to its needs in October of 2011. As the first step in the disposal process, we screened the property for other Federal needs, and with no expression of interest declared the property surplus. After running through homeless screening in accordance with McKinney, GSA has commenced marketing and appraisal efforts in support of a public sale. The property will be sold "as-is, where-is."

GSA is currently proceeding with required reviews under NEPA and the National Historic Preservation Act, and these activities are slated for completion in the late summer. The online auction at realestatesales.gov will commence in the fall. Already, interest from private sector developers has been incredibly high. GSA is one of many landholding agencies in the Federal Government. We continue to aggressively manage our inventory to dispose of unneeded properties, and we continue to work in concert with the administration and other landholding agencies in the Government to more effectively use real estate.

The West Heating Plant is an example of GSA's effective management of real property. The plant will be auctioned off later this year generating millions of dollars in proceeds, saving money in ongoing operations and maintenance and putting the property back to productive reuse.

I welcome the opportunity to be here and am happy to answer any questions you may have.

Mr. DENHAM. Thank you, Mr. Peres, for your testimony.

Mr. MICA. Mr. Chairman, I request that you swear in the witness.

Mr. DENHAM. At this time we will swear in the witness.

Do you promise to tell the whole truth and nothing but the truth?

Mr. PERES. Yes, I do.

Mr. MICA. Thank you.

Mr. DENHAM. Thank you.

In 2000 this plant ceased steam generation. Is it currently on the excess property list, the 14,000, list of 14,000 properties?

Mr. PERES. Yes, it is.

Mr. DENHAM. And when did it become part of that list?

Mr. PERES. The building was declared excess in October of 2011.

Mr. DENHAM. Why did it take 11 years to get onto that list? Has it been used for anything during that 11 years?

Mr. PERES. Chairman Denham, I had the exact same question when I came into my position in February of this year. I was part

of a panel that looked at what to do with this asset. The interesting thing about the West Heating Plant, you have to look at it in conjunction with the Central Heating Plant. The plant was used as a backup facility. It was used as backup for potential failure of the Central Heating Plant. And, as part of the backup facility, we stored fuel here. It was also used as an office for maintenance and for spare parts for the folks working in the Central Heating Plant.

I work in looking at highest and best use. I mean my role is really to determine that. That's obviously not the highest and best use of this asset. I was part of the team working with folks to really look at what should we do. To get to a solution on excessing this property, we needed to have a way forward with the Central Heating Plant. The Central Heating Plant provides steam to over 93 buildings in the District of Columbia. This had been used as a backup, but we felt if we were to be more aggressive trying to leverage financing from the private sector, we had a way forward in this plan.

As part of the team, we successfully looked at ways that we can approach an ESPC alternative. We put a notice of opportunity out, working with the Department of Energy, for ESCOs to provide us a solution on how they would manage the Central Heating Plant and really do the investments that are necessary to ensure the operations of heat, chilled water and steam to the 93 buildings in the loop.

When we had a way forward, we believed we have a strategy to go forward, the agency felt comfortable we could excess this property. So that's why the determination was made in 2011 to excess this property and move in a different path with the Central Heating Plant.

Mr. DENHAM. So this facility in particular was a backup for the last 11 years until it was determined that it was determined that it was no longer needed as a safety net.

Mr. PERES. Correct.

Mr. DENHAM. And then was immediately listed as excess?

Mr. PERES. Yeah. I believe it was March of 2012 was when notice of opportunity went on the Central Heating Plant, but we made the strategic decision last year to move forward and excess this property with the vision of going forward with an ANESCO approach to the Central Heating Plant.

Mr. DENHAM. The last hearing that this committee held was in the Cotton Annex. Was that property on the excess property list?

Mr. PERES. That list is updated on a yearly basis. As we told you in the last hearing, we had recently put out this notice of opportunity to the ESCOs. We read the feedback that we got, because part of that analysis was looking at if the Cotton Annex site was necessary in terms of the solution for the Central Heating Plant. We have since determined that it is not necessary, so we will move forward with disposing of the Cotton Annex as well.

Mr. DENHAM. So it's on the excess list today?

Mr. PERES. Today we're studying the best way to do that, so it is unlisted towards disposal. I'm saying it's not on the official list, because the snapshot is taken on a yearly basis, but it's moving in that direction.

Mr. DENHAM. And, just for an example, would a 600,000-square-foot building in the middle of a major city with just 400 employees, is that something that would be on the excess list?

Mr. PERES. It depends what the utilization of the building is. Obviously, from your description there, we have to look at it; but, no. It seems as though it should be on the list.

Mr. DENHAM. The Prettyman Courthouse in DC?

Mr. PERES. I'm not aware of the utilization of that building.

Mr. DENHAM. 400 employees, 600,000 square feet. These are the types of properties we want to understand exactly why they're not on the list and what your proposal is for the future. Another one would be the L.A. courthouse. You had said that for any agency before they go out and create new space that they're supposed to shrink space under the President's own directive.

Mr. PERES. Correct.

Mr. DENHAM. Bob Peck had said that while that project has significantly changed, it is GSA's intent to move forward on the L.A. courthouse. That's 400,000 square feet of new space, which would then leave another vacant property at Spring Street of 690,000 square feet. That does not seem to fit within the President's directive.

Mr. PERES. In my role in the Office of Utilization and Disposal, I look at highest and best use of property. I don't necessarily look at the individual use and utilization inside the building. I'm interested in how we market that property and if it's used to its highest and best use. So I'm not aware of the specifics regarding those assets you mentioned.

Mr. DENHAM. Well, I would assume then, if the L.A. Courthouse is proposed by your agency to be moved forward and to build from the ground floor that you must be looking at the Spring Street Building to say this is coming onto the excess list. Our agency is determined that it is coming onto the excess list; and, you must be looking at marketing that now, rather than waiting a decade and letting it sit vacant like the Miami Courthouse and what's happening in New York. Would that not be a correct assumption that you would be looking at that now?

Mr. PERES. We are looking at strategies with what to do with Spring Street now. Correct.

Mr. DENHAM. Back onto the Georgetown Heating Plant, this building is sitting in the middle of some of the most valuable real estate in the city. What is GSA doing to ensure that we get the highest best use for the taxpayer? I know that you had mentioned the online options. We have concern with some of the sales on the online options.

Mr. PERES. Sure. Let me try to address that. We are working with how the private sector would do this. We are going to work with a broker to market our asset. We are hoping, really, because of the location of this asset. The surrounding areas—you have the Four Seasons right beside us and gorgeous views of the rooftop here—this is a prime location of undeveloped land in the heart of Georgetown.

We want to get national and international exposure for this asset. We will work with one of the leading brokers out there. We put a solicitation out. We are going to receive feedback and select

someone related to the marketing effort on this property. As part of that effort, we are really looking at getting out the Rolodex of whoever that broker is to make sure we have the right folks bidding on this property.

The online auction would go through a deliberative process that's legislated to get toward sale. We are at the sale mark now. We have gone through the Federal screening. We have gone through the public benefit process and determined there is no public benefit need for this property at the moment, and we are finally at sale. We are doing the appropriate environmental research and documents that are required. And we are happy to be at the sale mark now. And we have already taken several developers through the site, so I'm happy to say we have an aggressive plan that I think will be successful.

Mr. DENHAM. Thank you. My time is expired. I recognize Ms. Norton, ranking member, for 5 minutes.

Ms. NORTON. Thank you very much, Mr. Chairman.

What will be the cost of repairing this property for sale?

Mr. PERES. I don't have those figures in front of me, Mrs. Norton, because we haven't received the submittals yet on the marketing proposals I mentioned. So I don't know the figures, exactly. I can get back to you with it.

Ms. NORTON. I don't understand. You haven't received what?

Mr. PERES. We put out a solicitation for groups to respond to us.

Ms. NORTON. And that determines how much you'll have to spend too.

Mr. PERES. No. No. Unfortunately, I don't have the budget in front of me. I'm saying it depends on what we receive and how much—what the proposals are.

Ms. NORTON. I just don't see the relationship between what you receive. You mean what you receive may mean that someone who goes through the process is willing to help?

Mr. PERES. Yeah. Well, the most competitive and that we believe meets our needs will be chosen in terms of the marketing of this property.

Ms. NORTON. I see.

Mr. PERES. We do have a budget. I just don't have those figures in front of me. No.

Ms. NORTON. OK. What is a soft auction process?

Mr. PERES. A soft close in the auction.

Ms. NORTON. What's the difference between it and any other auction?

Mr. PERES. Yeah. I'd be happy to answer. It's different from your particular eBay auction that has a hard date for close. The soft auction is a tool that actually—we pioneered in the real estate area. What that does for you, once someone makes an offer in a property, we will extend the close of the bid an additional 24 hours.

So it prevents folks from coming in at the last second and making their best—they're throwing their offer in—and no one being able to counter that offer. After the last offer is made, we extend it 24 hours. If there's no activity after that 24-hour period, we will close the auction.

Ms. NORTON. Now, especially out of the figures on where the assets are, you have 124 assets that you have identified as excess.

Mr. PERES. Correct.

Ms. NORTON. Are you saying that all those are in the process of being disposed of?

Mr. PERES. No. Two-thirds of those assets aren't underutilized anymore. They were assets.

Ms. NORTON. Of the 124?

Mr. PERES. Of the 124.

Ms. NORTON. But that brings you down to how many? So most of these that were on the list you have now determined can be used in some other way?

Mr. PERES. Yes, or there were leases that have expired or we've been able to backfill those leases.

Ms. NORTON. So that leaves us where most of the assets are. So you have 14,000 categorized—I'm looking at your testimony—

Mr. PERES. Sure.

Ms. NORTON [continuing]. As excess. Turns out that two-thirds of those are not excess at all. So we look at where the excess assets are in the Federal Government. So as compared to your 14,000, your testimony says 13,876 are from agencies other than the GSA. Well, that's what interests me.

Mr. PERES. Correct.

Ms. NORTON. Because we have a bill here that has been passed. Actually, we have two bills that have been passed; and, these bills were necessary, because although any administration has control over agencies and can dispose of properties, there is always political feedback from Members of the House and Senate if you try to sell a property in their district or State. So this civilian BRAC bill requiring an up or down vote was designed to do for the civilian process what BRAC has done for the other process.

Now, unfortunately, that bill has not passed both houses, but you say in your testimony that you are helping some of these agencies to target properties for disposal. It seems to me that most of your energy ought to go if that's where the property is. Could you describe that process of helping the agencies which had not only the lion's share but a huge share of these properties, the properties that our hearing aimed at during the BRAC disposal hearings that we had earlier last year.

Mr. PERES. Thanks Congresswoman. My office is set up to help those exact agencies get that decision to declare the property excess. So I have two branches: the Utilization branch and the Disposal branch that deals with those properties that have already been declared excess. So the group that works on utilization, we try to get in and analyze the portfolio of that agency to help them make the determination on highest and best use.

Ms. NORTON. How many agencies are there that have these excess properties?

Mr. PERES. There are 24 landholding agencies.

Ms. NORTON. Well, what agencies have most of these properties in excess?

Mr. PERES. DOD has a lot, VA, the Interior Department, are big landholding agencies that have a lot of those.

Ms. NORTON. Now, this sounds like a lot of properties. Are those agencies—do they have staff large enough to work with you to deal

with what turns out to be where most of the properties are around the Government, DOD. And what other agency did you say?

Mr. PERES. DOI and Interior, as an example. Well, we're not the only disposal agent of the Federal Government. Some of these land-holding agencies also have their own authority to dispose of.

Ms. NORTON. But isn't that the problem? Because if there's 13,000 plus, have they been using that authority to dispose?

Mr. PERES. Yes, some of these properties are lighthouses, for example, that we're moving aggressively. We have a group that's moving on, disposing of those housing facilities, Forest Service, Army Reserve Centers.

Ms. NORTON. Do these agencies have—I mean the Federal Government has a central agency for leasing and construction. That's GSA. Do these other agencies have the expertise to go market properties, dispose of them and get a fair return for the Government?

Mr. PERES. I can't speak to their expertise. I can say we do have the expertise, and we are happy to take on that challenge.

Ms. NORTON. Yes. So somebody may do it without coming to you and then he's on his own.

Mr. DENHAM. I want to continue down this path, but at this time I will recognize Chairman Mica.

Mr. MICA. Thank you, Mr. Peres. How long have you been with GSA?

Mr. PERES. Since May of 2002.

Mr. MICA. May of 2002?

Mr. PERES. Correct, yes.

Mr. MICA. And you've been in the same position for how long? What is your title now?

Mr. PERES. I am the deputy assistant commissioner for real property utilization and disposal. I have been in that position since February.

Mr. MICA. Of this year?

Mr. PERES. Of this year, correct.

Mr. MICA. What did you do before then?

Mr. PERES. I worked in the portfolio arena. Before moving towards disposal, I was the deputy assistant commissioner for portfolio management.

Mr. MICA. Did you work on this property at all in that position?

Mr. PERES. I worked in the headquarters office.

Mr. MICA. Was it under your portfolio?

Mr. PERES. It was under my portfolio. Correct.

Mr. MICA. So you were there from 2000 'til we made a decision in October of last year. 2002, did you say?

Mr. PERES. Correct.

Mr. MICA. OK. And, now, if you are going to put a property up for sale, now in real estate the first thing I do is put the sign up. When did you all put the sign up that's on the building?

Mr. PERES. The sign was put up yesterday afternoon.

Mr. MICA. OK. It was put up yesterday. The one at the entrance too? The same, or that was there before?

Mr. PERES. Typically, the sign is part of the marketing campaign, but I wanted to make sure we put a sign up as fast as we could after we have gotten through the public screening process.

Mr. MICA. So that was last October we started this process, but we've got the sign up yesterday. Did you participate in the discussion to put the sign up?

Mr. PERES. Yes, I did.

Mr. MICA. And who was involved in the discussion to put the sign up before the hearing today?

Mr. PERES. It was myself and the regional disposal office.

Mr. MICA. Tangherlini didn't participate?

Mr. PERES. No. He did not.

Mr. MICA. And, so, it was your decision after?

Mr. PERES. It was my decision.

Mr. MICA. How many months to put the sign up, OK. And then from 2002, this is under your portfolio. Now, you said the highest and best use, that you use this for storage of parts and also some fuel, and a backup facility.

Mr. PERES. Yes, it was a backup facility.

Mr. MICA. When was the last time it was turned on?

Mr. PERES. I do not know.

Mr. MICA. Now, wait a second. You told me you were in charge of the portfolio. This is going to be a backup facility and you don't know if it was ever turned on. So you wouldn't know if it was actually used to its highest and best use. Would it?

Does it have an operating permit? You don't know? It was under your portfolio, but you didn't know if it was actually ever turned on, or if it was used. And you're telling me you don't know if it had an operating permit.

Mr. PERES. It was under the regional portfolio I managed nationally. In terms of an operating permit, we had maintenance staff that were responsible.

Mr. MICA. And what's interesting, Ms. Norton says it costs \$3½ million to maintain the empty building. Is that right?

Mr. PERES. Over a 10-year period, yes.

Mr. MICA. That would only be \$350,000. We'll round it out to \$300,000 a year. I guess that's just an accounting digit with the digit around, but not real money, since somebody else is paying for it. We were going to get the highest and best use. What's stored here?

Mr. PERES. As you can see when you walk through the building, several spare parts as well as fuel.

Mr. MICA. Where in this—

Mr. PERES. You can look at the storage tanks there.

Mr. MICA. Were they taken out of there?

Mr. PERES. Yes.

Mr. MICA. When did you take them out and where did you put them?

Mr. PERES. Yes, we recently took the fuel out a couple months ago.

Mr. MICA. How many other places are there like this for backup?

Mr. PERES. There's no other place like this for backup.

Mr. MICA. There's no other place. Now, where did you put the parts?

Mr. PERES. We're moving those parts into this plant.

Mr. MICA. You told me you already moved the parts. Are the parts here?

Mr. PERES. We've moved them to the Central Plant.

Mr. MICA. So they have been moved to the Central Plant. Was there room during the last—was the Central Plant there all the time during the last 10 years?

Mr. PERES. Yes, it was.

Mr. MICA. And we couldn't have moved them out?

Mr. PERES. Well, we are able to make a proper—

Mr. MICA. It took us 10 years to make a decision to move the spare parts out. How big were the spare parts? Bigger than a breadbox?

Mr. PERES. Much bigger than a breadbox.

Mr. MICA. OK. All right. Well, again, it just doesn't seem like anybody is minding the store or taking care of the assets. This is a pretty valuable piece of property. Are there any other properties for sale over 2 acres in Georgetown?

Mr. PERES. Not that I am aware of.

Mr. MICA. We don't know if it was turned on. And we don't know if there is an operating license. We had other places to store what was stored here. I think you moved the fuel recently. Where did you move the fuel?

Mr. PERES. I do not know the specifics of it.

Mr. MICA. OK. You've got to come prepared to these hearings, because I'm going to ask tough questions. Are there any other power plants in here to—you said that services 90 some buildings or facilities?

Mr. PERES. Ninety-three buildings, correct.

Mr. MICA. It's just the Central Plant now?

Mr. PERES. Correct.

Mr. MICA. How is that fired? Coal?

Mr. PERES. It is—

Mr. MICA. Is it oil? Is it gas? Is it combo?

Mr. PERES. Yes.

Mr. MICA. OK. Ms. Norton was talking about the numbers. I almost fell off the chair when you said you're the most efficient at getting rid of properties. Dear God, help us. You are the most efficient? Is that your claim?

Mr. PERES. Yeah. That was my claim, if you look at the numbers they provide.

Mr. MICA. Mr. Denham and Ms. Norton, if this is the example of efficiency, we need to broaden our scope of work here. Maybe I'll need to talk to Darrell Issa and get a little bit of authority beyond this committee. That's one of the most frightening things I've heard. I mean that is really frightening. If this is an example of efficiency, God help the United States taxpayers.

Now, we have several authorities that were granted. One is called Section 412, 585, an Appropriations Act of 2008, which allow you to expedite, exchange, lease, do a whole host of things with properties. Were the provisions of 412 or 585 used or considered for doing something with the assets that's been sitting here?

Mr. PERES. We have looked at that authority.

Mr. MICA. But did anyone in your portfolio out of your portfolio, preparing for the hearing, did anyone ever look at using that authority?

Mr. PERES. Yes, we did, but we felt the most aggressive way to—

Mr. MICA. Is there something wrong? Is something lacking? Do you have enough authority under the provisions of that law? Is there something that can make these things happen quicker or move these projects forward faster? Is this inadequate?

Mr. PERES. We have the authority under Section 412.

Mr. MICA. But you decided not to use it?

Mr. PERES. It didn't make sense in this property. It made sense to go to sale, and when I became responsible for that I moved into property for sale.

Mr. MICA. OK. And yesterday we put the for sale sign up. You don't want to do it too soon. You know. You might get a rush. You know. We might have people backed up here with offers, so that wouldn't look good.

Final question, if I may, Mr. Chairman. OK. On my turf, 3 years ago members of our committee visited the Miami—well, we visited Miami and the old Miami Courthouse. It was vacant then. Is it still vacant today?

Mr. PERES. Yes, I believe so.

Mr. MICA. OK. Maybe November or December or January I might invite the committee down there. We will take the cooler climes for the 13,997. Is there anything that has been done you could report finally to the committee on disposing of the Miami vacant courthouse building?

Mr. PERES. I can tell you that my office is now engaged. I've sent a group down to look at the asset, as Bob had testified in the previous year.

Mr. MICA. How much did the for sale sign cost here?

Mr. PERES. The for sale sign here?

Mr. MICA. Yeah. The one you got, the big one. I don't even have to have one that big. Maybe I could get a smaller one and put it down on the Miami Courthouse.

Mr. PERES. I can lend you that one to put up on the courthouse.

Mr. MICA. Thank you. Thank you. I yield back. We are in trouble, Mr. Chairman.

Mr. DENHAM. Thank you.

Mr. Hanna?

Mr. HANNA. Thank you, Mr. Chairman.

The administration claims approximately a \$3 billion savings over real estate property. How do they come up with that number?

Mr. PERES. I can't speak to how the administration came up with that number.

Mr. HANNA. You have disposed of 88 properties totaling about 4 million square feet out of 370 million square feet. That's about 1 percent, a little more than 1 percent. If that kind of savings is available and you disposed of roughly 1 percent, shouldn't there be a rush to move these properties? And, if you agree with that, why wouldn't you be moving faster?

And do you consider the time value of money, say, in a building like this? I could store a lot of parts for this vacant, empty building, that apparently a good demand for. And, one last piece of it. I'm sure you must know something about what this building's

worth. To speak about the time, value and money, what is this building expected to be worth?

Mr. PERES. I would love to answer that question, Mr. Hanna, in terms of the value; but, because we are going forward in a process where we want to auction this off, I don't want to artificially set a deadline.

Mr. HANNA. Sure.

Mr. PERES. I would be happy to talk to you about that.

Mr. HANNA. But it is substantial?

Mr. PERES. Substantial, obviously, this land is extremely valuable where we're at.

Mr. HANNA. So there's a big cost to ownership. So the longer we take to dispose of any of this property that you have such a strong potential demand for is actually a hidden cost in and of itself, the time, value and money. So why are we sitting on so many properties?

Mr. PERES. I could tell you GSA has a strategy for each of those properties my office is now moving aggressively on. I can say in the last year we've disposed of 120 properties governmentwide, generating over \$40 million in sales. I can say, and I say this now, we are going to do everything in our power to move these properties sooner.

And I think discussions, such as the Real Property Reform legislation, unfortunately, a lot of times it takes upfront investment, as you know, in your background, to be able to move these properties. And I can get you a short pay-back, but how can that upfront capital that can relocate an agency from the building to allow us to move forward, depending what the property is, in these budgetary times is difficult for us.

Mr. HANNA. Sure.

Mr. PERES. So anything in a reform bill that can help us get there, that can incentivize agencies with retention of proceeds, for them to make the right capital asset decision. That's another thing we run up against. And for my office to be as effective as we can be in helping other agencies is to give them that incentive to really move their properties.

Mr. HANNA. Do you think this might be handled better in total by the private sector?

Mr. PERES. No. I do not with the figures that I've quoted. And I believe our office is able to do this cost efficiently. If you look at how much our services cost to help agencies, we're very competitive now and below where the private sectors are. And we are engaging them in these disposal activities. As I mentioned in my response to Ms. Norton's question, we are looking at using services from brokerage firms to really reach that Rolodex to increase the value of this property.

Mr. HANNA. So what do you expect to do in the next year? We have got quite a list here. You obviously are aware of the problem. You agree there's a problem. You want to pick up speed and move toward the resolutions of some of this. What are your plans to effect that change?

Mr. PERES. My plans, really, I've challenged my staff. I think one thing we need to look at is market share. Let's do more disposals. Let's get out there to try to see if we can help more agencies make

the decision to move their properties. The properties that PBS currently owns that have come up at this hearing: Cotton Annex, Miami. We need a solution for these properties. We want to move aggressively to come up with that solution, and I hope to report back to you all where we are at in a couple of months.

Mr. HANNA. All right. I defer the balance of my time to Mr. Denham.

Mr. DENHAM. Thank you. Just following up on that I am somewhat surprised that you are really carrying the banner of GSA and how great things are going, because from this committee's perspective, they don't seem to be going very well. 14,000 properties, and yet this property is not on the list. The Cotton Annex is not on the list. Prettyman Courthouse is not on the list. New York Courthouse is not on the list. Miami Courthouse is not on the list. You are going to build a new courthouse in L.A., and you're saying private industry can't do it better? There's not a good track record here.

First of all, it's not a good track record for defining excess, underutilized properties when none of those properties, which we have had to send our staff out to, which we have actually spent time going out and touring to see how empty they are, which we have held hearings in to force GSA to take action on them, to even declare them as excess surplus, it is amazing to me that you are here to justify and defend GSA's record; but, secondly, to say that private industry can't do it better, I want to see you be able to justify that. So, go ahead. You can respond.

Mr. PERES. Say of the 14,000 we are responsible in GSA's portfolio for 124 of those 14,000 properties. I am speaking to what I know on those 124 properties.

Mr. DENHAM. So out of the 14,000 properties, GSA is only in charge of 124 of them?

Mr. PERES. Of the excess, correct, yes.

Mr. DENHAM. And what are you doing to put more properties on the excess list?

Mr. PERES. That is we are really looking at, and I know a lot of the questions that have come up here. It's not in my area, the disposal arena, but improving the utilization of those properties. But, again, to improve the utilization of those properties, it takes upfront capital investment.

We need to be able to modify space, to move tenants, to do the IT investment, to get folks to an improved utilization of space, to bring folks in from leased space, to better occupy the owned assets. However, in strong markets that is a 3-year payback. We need the upfront capital investment to be able to do that.

Mr. DENHAM. The upfront capital investment, when we are cutting budgets across the Nation, GSA had \$5 billion to work with as upfront money to go ahead and go out and sell these properties. What's happened to the \$5 billion?

Mr. PERES. What, the—

Mr. DENHAM. The stimulus dollars that were supposed to be utilized in this arena?

Mr. PERES. The stimulus dollars to my understanding were focused on sustainability. They weren't necessarily directed towards improving, to do this type of work that we are talking about now.

Some of those projects were accomplished in improving utilization, but the bulk of those funds were used on sustainability.

Mr. DENHAM. So you're only in charge of the 124 properties out of the 14,000 properties.

Mr. PERES. Once those properties are declared excess, yes, then I'm in charge of those.

Mr. DENHAM. OK. And the Civilian Property Realignment Act, I assume, since that is redefining the way we do business, is governmentwide. I assume that you have taken a look at that bill?

Mr. PERES. Yes, I have.

Mr. DENHAM. And I would also assume that taking it all under one house and being able to sell properties in tranches would help us to move through the 14,000 quicker?

Mr. PERES. I agree.

Mr. DENHAM. Has GSA taken a position on either the bill that we sent over to the Senate or the bill that's in the Senate, the Senate bill, the companion bill that's coming over this way?

Mr. PERES. I believe there are three things and each bill addresses these things a little bit differently that are important in moving property, and you have talked about them in your bill: addressing the upfront cost of disposal, that I have mentioned a couple in my response here. We need to have the ability to front money for successful dispositions of properties; incentivizing agencies by allowing them to have retention of proceeds, or something that can help them make the decision to move properties. And, finally, your last point, resolving competing stakeholder interests and property I think is huge, because every property has several folks that are interested, different groups and stakeholders that provide an important voice, but that can also delay the process.

Mr. DENHAM. Have you issued any type of recommendation to either the House or the Senate on what GSA would be helpful in the Civilian Property Realignment Act?

Mr. PERES. We have worked with several staffers in talking about those three premises and how we'd be willing to help participate in decisionmaking on how to move these properties and different ideas we have to make the disposal process more effective.

Mr. DENHAM. OK. Here's what I don't understand. We have a bipartisan agreement. In this House we have sent the bill over to the Senate. The Senate has a companion bill. Both the House and the Senate have worked with the President. The President has issued a directive saying that we are going to sell more properties, and your job is to liquidate those properties, yet we are not liquidating properties.

So if the President wants to have this bill, if the President wants both parties to work together, if the President wants both houses to work together, why isn't the President issuing a directive to the Senate or the House to say, give me the bill? Give me the bill; let's get this done? Because today you can't get your job done.

You have 124 properties out of 14,000 properties. This is one property that I don't care if it is a Republican or a Democratic administration, if it is this administration or a previous administration, the job is not getting done. So I, first of all, don't see how you can defend your record; but, secondly, why you are not more pas-

sionate, why the President is not more passionate about coming up with a solution.

Mr. PERES. I can't speak to that.

Mr. DENHAM. Let me ask one final question. This property is going to online auctions.

Mr. PERES. Correct.

Mr. DENHAM. Two years ago, GSA sold a building in Bethesda. It is another highly valued real estate property, but we received less than what was estimated at its fair market value. How is GSA going to ensure that this time we do get the highest value on this property that is the biggest piece of acreage in downtown Georgetown?

Mr. PERES. I would say news like this help market the property as well. We want to get word out. We have worked with developers. We have done various tours already of this property. The Bethesda property, timing of the market did not help in that sale, obviously. GSA put the property on the market when there was a downturn in the market, and we weren't able to achieve the fair market value that was established a couple years prior to that.

We feel the market year is strong. If you look at the recent developments in Georgetown, there has been a lot of buzz on this property already; therefore, working with a leading broker in the field, we believe we can maximize value for this property.

Mr. DENHAM. Well, good. I am very glad to hear that you think these hearings are helpful, because you are going to see a lot more of them. We are going to go across the Nation. If I have to hold a hearing every day during break on every different property across the Nation, we are going to do it, because we want to make sure that we help you market these properties. Because when these properties sit for over a decade, it is irresponsible; again, not a Republican or a Democrat issue. This is the taxpayers' dollar, that both parties should be able to come together and say we just got to do things better, and GSA should be responsible for that as well.

So, I am glad to hear you say that this is helpful. We are going to make sure we are very helpful to you. I yield to Ms. Norton for a final round of questioning.

Ms. NORTON. Thank you, Mr. Chairman.

Chairman Mica raised 412 authority. This has been the bane of our existence as a committee, because we got 412 authority in our appropriation through this committee, because we wanted to give GSA some flexibility to bring in the private sector when it didn't have the funds, for example, to redevelop properties.

You indicated that you wanted to see the redevelopment of some of these properties. Has the agency ever used 412 authority since we granted it some years ago? And, if not, why not?

Mr. PERES. I know my understanding of 412, we have been able to receive—part of 412 was receipt of proceeds for the property. The outlease leaseback component that I believe you're referring to, I don't know if a transaction that we have been able to leverage that framework for 412.

Ms. NORTON. I think one of the things the committee needs to inquire, OMB in both Republican and Democratic administrations, I understand, when we have pressed this issue, although the GSA refuses to say so, it is my belief that somehow there is an endemic

problem in OMB across administrations. It keeps the use of 412 authority, granted by Congress, from getting the highest and best use of properties that should not be disposed of. I am very concerned that 412 authority lies on the table, while you were saying that, yeah, you would like to develop some of these properties. You know good and well you can't develop them unless the private sector is brought into this equation. When did you begin marketing this facility, and when do you expect it to be sold?

Mr. PERES. We expect the property to go to auction in late September. So we have begun the marketing process officially, really, it is through word of mouth until we have done that contract, while we finish our NEPA and historic 106 process. Hopefully, that will be done by the end of June and then we will be aggressively marketing this property.

We already have banners. We want to generate word of mouth on the property, but we are beginning the process now. I'm sorry. Was there another part of the question?

Ms. NORTON. When do you expect it to be sold?

Mr. PERES. We expect it to be sold, holding the auction for 30 days, 30 or 60 days. I have to talk to the team. I am not exactly sure, and then we will go from there.

Ms. NORTON. If you sell it, if you sell it before the zoning process and the District of Columbia is completed, could that affect the price?

Mr. PERES. We feel we have engaged the city in various different discussions on zoning for this property. We are currently in the NEPA discussion. Now, the environmental assessment as part of the environmental assessment, future use of the property is analyzed, and all potential, future use has been looked at, the W2 zoning area for this particular locale. And the district has agreed with that, and they are part of reviewing the NEPA documentation.

Ms. NORTON. The District has agreed with what? I'm sorry.

Mr. PERES. With the zoning proposed.

Ms. NORTON. Which is what?

Mr. PERES. In the NEPA, which is W2, which is similar. I think it is framed as middle level density. So mixed use for the property would leave it as of 4.0.

Ms. NORTON. Like the other properties in Georgetown.

Mr. PERES. Exactly, like the surrounding properties here, so with the hotel next door, the Four Seasons, plus some of the residential development here would fall under that zoning category.

Ms. NORTON. Now, we recognize the need for Civilian BRAC, but we had hearings on it. The administration has pressed it as well. The Senate has a different view, but I agree with Chairman Denham that this is one issue we ought to be able to agree on, since there is widespread agreement that we should sell or use these properties.

Now, my recollection is that the Civilian BRAC bill allows the agencies to retain some of the proceeds. If the agency turns over the property to GSA today, I take it the proceeds go with it. There is no incentive?

Mr. PERES. No. We are just the broker for that agency, if you will. The landholding agency has retention of proceeds authority.

We can help dispose of the property. They would still retain the proceeds for the property.

Ms. NORTON. So there is no need for an additional incentive since it is their property, and turning it over to you is not really turning over ownership to you.

Mr. PERES. Correct. But not every agency has retention of proceeds, and different discussions—

Ms. NORTON. Well, that is what I am asking. Some agencies do and some agencies don't?

Mr. PERES. Correct.

Ms. NORTON. Does DOD have retention of proceeds?

Mr. PERES. Yes. I can get you a list of the agencies that have retention of proceeds.

Ms. NORTON. Very important, because if they know that they can take, particularly in this budget climate, that they can get some revenue from this process, it seems to me that we ought to be focusing on those. You don't know, or do you know what has determined those who can retain and those who cannot?

Mr. PERES. I think it is different legislative authorities. I don't know.

Ms. NORTON. It is probably the way we do legislation here, where some got it and some didn't. I want to ask you about the properties that I mentioned in my opening testimony.

First of all, I was just appalled about the Cotton Annex for a number of reasons; but, particularly given its location on the mall, and that is the most prime of prime properties, even more prime than this property. And it seemed to me that what was missing was not just you sold this property or that property, but there was land around the Cotton Annex, so that and indeed there was some discussion at the hearing, that if you look at the Cotton Annex and what surrounds it, you have an even more valuable piece of property.

So I have to ask you what are your intentions with respect to the Cotton Annex specifically. Do you intend to redevelop it? This is a site on the mall, so it can't be redeveloped the way, for example, the site in Georgetown is. It is much more difficult. What is your analysis of what should be done with the Cotton Annex?

Mr. PERES. We are looking at it now and really analyzing it with the full range of our authorities on what can be done with the property. We have a relocation authority, for example, that allows us to relocate the current screening facility there, and maybe relocating it.

Ms. NORTON. I'm sorry. The current what?

Mr. PERES. The FPS screening facility, the truck screening facility that exists there.

Ms. NORTON. On the mall? Close to the mall?

Mr. PERES. Relocating it elsewhere so that we can effectively dispose of that property is what I am getting it. So we are trying to analyze what is the best solution for that property. My office is now engaging in this and trying to explore where the full range is.

Ms. NORTON. Are you looking at the surrounding properties?

Mr. PERES. Absolutely, because all the parcels and the land there make up the value, too, for that property.

Ms. NORTON. So are you are doing it as a consolidated matter, or are you looking only at the Cotton Annex?

Mr. PERES. We are looking at it as a holistic strategy on the best way to extract value there for the taxpayers.

Ms. NORTON. I mentioned two properties that are on the list, but GSA has been unable to move. Secret Service, I know, gets its way a lot of the time; but, when it comes to a property that is close to the Secret Service and they say we're going to need it—they themselves are located in downtown DC as are many of our agencies—I need a justification for why that property at 9th and H Street cannot be sold or used by another Federal agency, or used in some way that is useful to the Government.

Mr. PERES. I'll be happy to provide that. I don't have the details with me today.

Ms. NORTON. I wish you would provide it to the chairman within 30 days.

Mr. DENHAM. Any reason why you can't do that in 30 days?

Mr. PERES. No. I think we can do that.

Mr. DENHAM. Thank you.

Ms. NORTON. The other property I mentioned, which is the only other one that was listed and one that it looks like you have some hold on doing anything about, was a warehouse, which, as we understand it, was to be used for a Court of Appeal and is still vacant. Now, do you have any information on that property?

Mr. PERES. That is my understanding as well. It was initially framed as the site for a potential courthouse for the Court of Veterans Appeal. And it doesn't look like there was funding for that project to move forward, so we are reevaluating that. I can also provide a fact sheet on that project.

Mr. DENHAM. Within 30 days?

Mr. PERES. Sure.

Ms. NORTON. Thank you, Mr. Chairman. Those are my questions.

Mr. DENHAM. Mr. Chairman Mica?

Mr. MICA. Mr. Peres, where did you go to school?

Mr. PERES. My undergrad at Maryland and my MBA from George Washington.

Mr. MICA. I just went to the University of Florida, so I am not as fancy schooled, but I have a little experience in business. You told Ms. Norton that you began marketing this property. When did you begin marketing it?

Mr. PERES. The process, we declared the property excess.

Mr. MICA. We—yeah.

Mr. PERES. I just want to answer your question, Mr. Chairman, in the right way. So I can go through the step in chronology.

Mr. MICA. Well, just marketing, letting the public know that it was available. I know you have certain steps, but when did you start that?

Mr. PERES. Really, just recently.

Mr. MICA. Like yesterday when we put the sign up? Did you list it on eBay, Craigslist?

Mr. PERES. Yes, we have a realestatesales.gov, which is our Web site.

Mr. MICA. When did you put it on?

Mr. PERES. Three weeks ago—

Mr. MICA. Oh. Three weeks ago. OK.

Mr. PERES [continuing]. It was on that list. And feel free to go to the Web site.

Mr. MICA. Was that sort of in concurrence with announcement of this hearing?

Mr. PERES. No. It is part of the process, because we have to get through the public benefit screening process.

Mr. MICA. And the sign just happened to go up yesterday, so we have actually been marketing this for 3 weeks.

When did we give notice on this, staff? About 3 weeks ago?

Staff MEMBER. At least, about 2 weeks ago.

Mr. MICA. Yeah. OK. And when I asked Mr. Denham to swear you in, you were going to tell us the whole truth and nothing but the truth. Right?

Mr. PERES. Correct.

Mr. MICA. So you said your job is actually—and responsibility at GSA is to really obtain the highest and best use of these facilities. Right? You testified to that.

Mr. PERES. Correct, yes.

Mr. MICA. Then you told the subcommittee this morning that this was going to be a backup facility for power. Is that right?

Mr. PERES. I said that was the reason for keeping the property.

Mr. MICA. Primary backup, and then secondary for storage, and you mentioned some storage.

Mr. PERES. Fuel and a maintenance storage.

Mr. MICA. Yeah. No. I don't think you checked this out very well, because I just did an intensive examination walking back to the men's room and I asked the question. The last time this place has been fueled up was 2000. Any staffers, workers, anybody know any differently? I was told 2000. Then I was told that after 2000 what they started doing, they started looking at some of this equipment.

You know. I only have a University of Florida degree, but they told me they started cannibalizing this place; that means taking parts out. Go look. They are parts here. So that this property couldn't have been a backup for those 10 years, because they were cannibalizing the place. Did you know that?

Mr. PERES. A backup, yes. A backup for necessary parts and for the fuel.

Mr. MICA. Oh. It's a backup for necessary power?

Mr. PERES. If we had to run the plant, that could have been made to make sure the plant was able to generate the steam.

Mr. MICA. Hm-hmm. And then we decided we had no other place we could store the parts. So, again, I am very disappointed. That is not the highest and best use. It was to pay a third, \$333,000 a year for 10 years to use this as a storage facility, probably get some nice retail space to store some of that up M Street or Wisconsin at those prices. Again, some of this just defies common sense and logic that we would leave an asset, a valuable property, but we have had some great heights in the real estate market. We are coming back, and this area has always held its value pretty well. And this isn't rocket science that we are going to get our money out of this or not.

I mean you can do an appraisal of it, and we get the appraised market value at the time. Is it a wise decision to sell at that time? Somebody can make that decision. Maybe we should do a lease,

lease purchase. If we are going to attract private capital, we attract private capital to the property and do a deal, but this is a property that sat here with no one really making a decision in the best interest of the taxpayers for more than a decade. Would you agree?

Mr. PERES. I would agree, and I think I could help make that decision to move the property to the disclosure process.

Mr. MICA. Well, I am glad you got the promotion to your position; but, again, somebody had to overlook the portfolio and make a decision during the 10 years in which the property sat vacant and we had a bogus reason for even keeping the property, because it could never be used as a backup for power, because they were cannibalizing the parts from 2000 when they turned the thing off the last time, which was in 2000. So, again, some of it just doesn't hold water. It's an expensive abuse and misuse of taxpayer assets.

Mr. Denham and I will continue this. We will hold hearings in Washington. Unfortunately, folks, this is just the beginning of Washington. We are trying to get out of town and do some of the other areas across the Nation and look at buildings similar to this that are underutilized that are sitting there and not getting a fair return for the taxpayers.

So thank you for holding this hearing. We will continue. This is one I hope in a series in which we will make additional progress. Let's see if we can't get a good deal on the sign, the guy that painted the sign. We will take one down to Miami Courthouse, and I will help you hang it. Thank you. Yield back.

Mr. DENHAM. Mr. Hanna?

Mr. HANNA. Yeah. Quick question. You don't mind. Do you, John?

Mr. MICA. No.

Mr. HANNA. Thank you. If you can agree that a place like this lay fallow for 10 years, costing whatever it cost, and there was no urgency, apparently, in any department, any person who was in charge to deal with this who saw it as somehow a trust of theirs to be more efficient, and you have 14,000. Not you. You have a few hundred. How widespread is this problem, as long as we can agree it is a problem?

Mr. PERES. It is hard for me to answer that question. I could say there are complex issues involved in every disposal. This asset, part of it, was the finance solution for the Central Heating Plant that needs reinvestment as well. And there was the risk, obviously, until there is another way forward of keeping this plant before moving down that road. And I think Federal agencies are dealing with this issue throughout the country, changing in operations, trying to improve utilization of properties, ongoing O&M costs.

Until there are incentives that help them push their real estate decisions, I think it might continue. I am hoping that's not the case, and we can provide the correct incentives for folks to move properties.

Mr. HANNA. Well, what would that look like? I mean incentives to whom?

Mr. PERES. Incentives that I tried to address, I believe, in Chairman Denham's question. I'm looking at providing an upfront capital base for that move for folks to get out of property for us to achieve kind of a pretty damn good payback on these properties

and achieve billions of dollars in savings. If you just look at the 10-year number that I quoted in terms of savings over—I forgot the exact number, but generating \$4.2 billion in proceeds in 10 years.

The numbers are there. The properties exist out there. I'm hoping we can move aggressively on these.

Mr. HANNA. Thank you. No more questions from me. Thank you, Chairman.

Mr. DENHAM. Thank you, Mr. Peres, for joining us here today. We are going to give you plenty of other opportunities. We want to help you to market all of these various properties and we are going to be very aggressive on it. I just want to summarize this hearing, some of the expectations that this committee and these Members have.

As you heard from Ms. Norton, she asked earlier this committee demand this various information, and we will continue to bring it up until we get the information. But, first of all, she inquired about cost of preparing this property for sale. We would like to see what goes into it, so we can understand how better to help you with some of these other properties as well the Cotton Annex, what went into that.

We are going to continue to talk about that until it gets on the list until we actually get that one up for sale as well. Each of these different properties, you should not wait for us to help you to market them. We would hope that you would go out on your own initiative and talk to every other agency within the administration, and ask them to actually follow the President's memorandum.

We would expect the President of the United States to actually hold each of the agencies accountable; but, if he is not going to show that leadership, this committee will. And, we will continue to go out throughout the Nation and help you to market these properties. As well, Ms. Norton talked about the Social Security Building and property on 9th as well as the Court of Appeals for the Veterans.

As you have heard me bring up several times now, the L.A. courthouse, that is a property that even though we have got less judges than a decade ago, GSA under Mr. Peck had said they were going to go ahead and spend that money anyways. Mr. Tangherlini said they were now reviewing the project. We expect to see that full review and understand exactly what GSA's intention is.

Miami Courthouse, another one that we are spending money on today, it's not on the excess list, but yet it is sitting vacant in Miami. I imagine while I am not from the great State of Florida, I imagine the property rates there are pretty high in Miami, and that is another property that would be a high-value property as well.

I would like to see what is in the 124 properties. I cannot imagine that the list of 14,000 properties, the majority of those properties are lighthouses. I've got to imagine that a lot of properties in that 14,000 that should be sold as well as thousands, tens of thousands of properties that are sitting underutilized that should be part of that list.

So we want to know exactly what are the steps that are being taken to evaluate whether selling the property are better done as reuse, redevelopment, and what the current standard is for utiliza-

tion. I also want to know what the timeline is on this building. I assume you have a written timeline?

Mr. PERES. Yes, somewhere here. Give me a second.

Mr. DENHAM. If you could just submit it back to the committee, we will try to be timely with finishing up this. I assume you have also got a written plan on how you define what is underutilized.

Mr. PERES. Yes.

Mr. DENHAM. We would like to see that written plan.

Mr. PERES. OK.

Mr. DENHAM. I assume you have got a written plan on identifying properties that are not utilized and underutilized before they even get to that list. You can submit that plan as well?

Mr. PERES. Yes. And we are hoping to begin the auction in September, just to answer that question. I will give you the full timeline in response to that.

Mr. DENHAM. Thank you. And, lastly, the administration claims that there's \$3 billion in savings. We would like to see what that list is comprised of, whether it is sale of property, whether it is redevelopment, whether it is reused, whether it is combining the footprint so that we can be active and helpful as well working with the President to help him not only reach that goal of \$3 billion, but this committee is going to be very aggressive in seeing how we can far exceed that goal and make sure we are getting the best value for the taxpayer.

In my opinion as the chair of this committee, I believe we are moving way too slow; not only on the properties that are under your purview, but, more importantly, under the properties across the Nation, which is why this committee has worked with the administration in defining the bill as the Civilian Property Realignment Act, which is why the Senate—I know their version. They have worked with the administration as well. But sitting on our hands and waiting to see how much more debt we rack up is not a solution.

So we are going to do everything we can to market these properties with you, to continue to hold these hearings. We will hold as many as we need. And if GSA tries to drag their feet and not give us the information that we are asking for, we are going to dedicate our staff to go on doing the job for you. We will go out across the Nation and define what the properties are, what the utilization rate is and how much vacant property they have.

We would hope that we would continue to work together; but, right now, we have not seen a great deal of emphasis or leadership from the administration in putting the Civilian Property Realignment Act, not only getting it through both houses, but certainly the President should be demanding that. The President wants acting out of the House, but we want the President to actually show some leadership in getting the bill to them. We want to sell properties, and we want to work together, but we are going to need his support in getting that done.

So, my recommendation to GSA is buy some cotton suits, because we are going to be doing hearings in Miami, Texas and L.A. in the heat of the summer. And I would go out and buy some cold weather gear, as well, because we will also be doing some hearings this winter, I am assuming, in Alaska, South Dakota, and many cold areas

as well. But we are going to go across the Nation and help you to market these properties.

I will hold a hearing every day, if we have to; but, we've got to get a better response for the taxpayer, and I think this is one of the best ways to get rid of wasting Government, to bring one-time revenue to help us to rid of us debt, and a good way for Republicans and Democrats to come together and just get rid of waste. We need the administration and the President's support in doing so.

With that, I'd like to thank you again for your testimony. If there are no further questions, I would ask unanimous consent that the record of today's hearing remain open until such time as our witness has provided answers to any and all of the questions. You did say you would get back to us within 30 days. We may be having a hearing within the next 30 days.

And I ask unanimous consent that during such time as the record remains open, additional comments offered by individuals or groups may be included in the record of today's hearing. Without objection, so ordered.

I would like to thank our witness again for the testimony today. If no other Members have anything to add, the subcommittee stands adjourned.

[Whereupon, at 11:20 a.m., the subcommittee was adjourned.]



U.S. General Services Administration

Flavio Peres
Deputy Assistant Commissioner
Real Property Utilization & Disposal
Public Buildings Service

Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings, and
Emergency Management
"West Heating Plant"
June 19, 2012

Good morning Chairman Denham, Ranking Member Norton, and members of the Subcommittee. My name is Flavio Peres, and I am the Deputy Assistant Commissioner for Real Property Utilization & Disposal at the U.S. General Services Administration's (GSA) Public Buildings Service (PBS). Thank you for the opportunity to join you here today at the Georgetown Heating Plant, a property GSA will auction off later this year, generating millions of dollars in proceeds while allowing the property to be returned to productive use for the community.

This property is an example of GSA's successful management of our assets, and our ongoing efforts, in line with Administration goals, to better utilize Federal real property. I appreciate the opportunity to come to highlight GSA's role in the disposition of property government-wide, and how that fits into the broader Federal government real property portfolio.

The Federal Real Property Portfolio –

While GSA has a large real estate portfolio to manage, the broader Federal government portfolio is far more extensive. GSA manages the Federal Real Property Profile (FRPP) which is the Government's inventory database of Federally owned and leased assets including buildings, land, and structures. The FRPP is the "single, comprehensive, and descriptive database of all real property under the custody and control of all executive branch agencies, except when otherwise required for reasons of national security," in accordance with Executive Order 13327.

In FY 2010, 24 agencies reported a total of 893,381 buildings and structures government-wide. These assets are broken down in different categories such as utilization or status. In FY 2010, 78,000 assets government-wide were identified as being under- or not utilized. These assets could include buildings that are being modernized, buildings or structures in the middle of a campus, or other structures such as sheds, fences and flag poles. Agencies described approximately 14,000 assets government-wide as excess, indicating that agency had no further mission need for the asset.

Better Utilizing Federal Real Estate –

The Administration has moved aggressively to ensure that Federal agencies better utilize their real estate. In June 2010, the President issued a Memorandum entitled "Disposing of Unneeded Federal Real Estate," which charged civilian agencies to more

effectively utilize space, reduce operating costs, and dispose of unneeded real property to save \$3 billion by the end of 2012. GSA has played a role both in generating savings from its own real estate as well as helping other agencies to find savings, and the Administration recently announced that the Federal government will not only meet, but also exceed, this \$3 billion goal.

To further save money on real estate, the President proposed a bill that would usher in a new approach to Federal real estate, the Civilian Property Realignment Act. Building upon the successful model established by the Defense Base Realignment and Closure Commission, the President's proposal would create an independent Board of experts to identify opportunities to consolidate, reduce, and realign the Federal civilian real estate footprint as well as expedite the disposal of properties.

This proposal would utilize bundled recommendations, a fast-track Congressional procedure, streamlined disposal and consolidation authorities, and a revolving fund replenished by sales proceeds to provide logistical and financial support to agencies in their disposal of high-value properties. It would be a comprehensive solution to key obstacles such as red tape and competing stakeholder interests that hinder the Federal Government's progress on improving real estate management decisions.

And most recently, Acting OMB Director Jeffrey Zients issued a May 11, 2012, memorandum entitled "Promoting Efficient Spending to Support Agency Operations" that stated, among other things, that agencies shall not increase the size of their civilian real estate inventory. Any increase in an agency's total square footage of civilian inventory must be offset through consolidation, co-location, or disposal of space.

All of these initiatives are improving the Federal government's management of real estate, ensuring that agency decisions are made in a cost-effective way, and saving taxpayers money.

GSA as Asset Manager –

Of the 893,381 buildings and structures reported in the FY2010 FRPP, GSA controls 9,476 assets. In square footage, this comprises about 12.3 percent of the total government's portfolio.

In GSA's capacity as one of many landholding agencies, we supply office space to other Federal agencies in support of their mission. We have a robust asset management

program to track the utilization of our inventory, strategically invest in our assets where needed, and aggressively dispose of unneeded assets.

Because of our efforts, we lead the market with our vacancy rates and utilization; 3 percent of our portfolio has been classified as an under- or not utilized asset. Although we work diligently to identify unneeded assets for disposal, it is important to note that not all properties labeled as underutilized are available for sale. In fact, the majority of GSA's properties labeled as underutilized in the FRPP are not candidates for disposition. Approximately one-third of these underutilized assets were leases that are now occupied or have expired; another third of the properties are undergoing major building modernizations, being backfilled with tenants from leased space, or assigned to agencies with new requirements. When we find underutilized space in areas where there is a continuing Federal need, GSA works aggressively to renovate and reuse the asset to achieve greater utilization.

Of the 14,000 assets categorized as excess in the FRPP, GSA identified 124 assets as excess to our own agency needs and began the disposal process for these assets. The other 13,876 assets are from agencies other than GSA, constituting the vast majority of excess Federal assets. Again, let me stress: 13,876 of the 14,000 assets cited as excess in the FRPP are managed by landholding agencies other than GSA.

Our low numbers of underutilized or excess assets are a testament to a major portfolio restructuring implemented over the past decade aimed at "right-sizing" our real estate portfolio. In the last 10 years, we have disposed of over 280 GSA assets, valued at \$260.5 million.

GSA has saved more than \$300 million dollars, as part of the \$3 billion goal outlined in the June 2010, Presidential Memorandum, "Disposing of Unneeded Federal Real Estate."

These savings have come through a variety of actions, including disposals. One example of a recent disposition is the sale of a surplus federal building in Brooklyn, NY. GSA negotiated a sale of the property with the New York City Economic Development Corporation (NYEDC). NYEDC and its development partner purchased the property for \$10 million with a goal of ensuring the site is redeveloped for the primary purpose of retaining and attracting industrial jobs. They are currently renovating the building for use as a state of the art industrial center. The once-vacant federal building will soon be a hub of activity that is projected to create 400 short term construction jobs and 1,300 permanent jobs. This project is expected to be a catalyst for the industrial

redevelopment of Sunset Park and complement the other industrial complexes in the area.

Another property we have recently begun disposing of is a GSA-owned warehouse located in Gaithersburg, MD that currently houses the U.S. Consumer Product Safety Commission (CPSC). Although the CPSC is not scheduled to move out until this summer, GSA has already declared the property excess and begun the disposal process. This 9.5 acre site has eight structures and its disposal from the Federal real estate inventory will save the Government approximately \$2 to \$3 million in avoided maintenance and repair costs.

GSA as Disposal Agent for the Government –

In addition to managing our own inventory, GSA has authority to dispose of most properties government-wide. GSA provides strategic direction and oversees the development of programs related to the utilization and disposal of Federal excess and surplus real property government-wide.

GSA's disposal authority was provided in recognition of the expertise related to repositioning property. GSA develops tailored disposal strategies specific to an asset's characteristics, environmental issues, community interests, political concerns, market conditions and other factors impacting the repositioning of the unneeded asset. Similarly, when preparing a property for public sale, GSA develops marketing plans that optimize the public offering. We use tools and techniques designed to reach very broad audiences and we target specific niche interests.

While GSA has the expertise to successfully navigate properties through this disposal process, each individual landholding agency is responsible for making their own asset management decisions on whether that asset is excess to their needs. In the last 10 years, GSA has disposed of over 2,600 government-wide assets, returning proceeds of \$4.2 billion. The majority of these public sales were conducted on www.realestatesales.gov (previously known as www.auctionrp.com), which provides a cost-effective way to reach the widest possible developmental interests and ensure a good return for taxpayers.

As part of the efforts to dispose of unneeded Federal real estate outlined in the June 2010 Presidential Memorandum, GSA's Office of Real Property Utilization and Disposal has been assisting other landholding agencies as well in meeting their aggressive targets through disposals.

The West Heating Plant –

Today, the committee has chosen to host a hearing at the West Heating Plant, a property that will soon be available for sale. The plant sits on 2.08 acres of land in a prime location in the District of Columbia, with stunning views of the city.

The plant was built in 1948 to provide steam service to government buildings on the west side of the city. The plant ceased steam service in 2000, and since then, the site has served as a backup steam location as well as providing backup fuel storage capacity and spare parts for GSA's Central Heating Plant.

As part of GSA's efforts to right-size the portfolio, and in accordance with the direction provided by the Administration on disposing of unneeded Federal real estate, GSA formally declared the parcel excess to its needs on October 19, 2011. As the first step in the disposal process, we screened the property for other Federal needs, and with no expressions of interest, declared the property surplus to the Government's needs in November 2011.

After conducting required homeless screening in accordance with the McKinney-Vento Homeless Act, GSA has commenced marketing and appraisal efforts in support of a public sale of the property. The property will be sold "As-Is, Where-Is." GSA is currently proceeding with required reviews under the National Environmental Policy Act and the National Historic Preservation Act, and these evaluations are slated for completion in the late summer. The online auction at realestatesales.gov will commence in the fall, and already interest from private sector developers has been incredibly high.

The sale of this property is expected to return millions of dollars to taxpayers, eliminate ongoing operations and maintenance costs, and make the property available for productive use by the local community.

Conclusion –

GSA is one of many landholding agencies in the Federal government. We continue to aggressively manage our inventory to dispose of unneeded properties and increase the utilization of our buildings. And we continue to work in concert with the Administration and other landholding agencies in the government to more effectively utilize real estate.

The West Heating Plant is a prime example of GSA's asset management strategies. The plant will be auctioned off later this year, generating millions of dollars in proceeds, saving money in ongoing operations and maintenance, and putting the property back into productive use.

I welcome the opportunity to be here and I am happy to answer any questions you have.

**Transportation & Infrastructure Committee Getbacks
West Heat Plant**

1. Provide a list of agencies with the authority to retain proceeds.

Please see the enclosed list of agencies with retention authority.

2. What is the strategy for disposing of the Miami Courthouse?

Please refer to forthcoming testimony in response to the Committee's hearing at the Dyer Courthouse.

3. Provide a list of the 124 excess GSA properties.

Please see the enclosed list of 124 excess GSA properties.

4. Explain the difference between underutilized and excess properties. What is GSA's plan for each?

The Property Act¹ defines the term "excess property" as any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

The term "underutilized" – or "not utilized" – means an asset that is not currently being used to its maximum potential. The Federal Real Property Counsel's 2010 Guidance for Real Property Inventory Reporting declares that an office building is "underutilized" if its utilization rate is less than 75 percent. The Federal Management Regulation defines "underutilized" as:

An entire property or portion thereof, with or without improvements, which is used –
(a) irregularly or intermittently by the accountable Executive agency for current program purposes of that agency; or (b) for current program purposes that can be satisfied with only a portion of the property.

GSA is diligent in removing excess properties from its inventory and taking action on underutilized assets. In FY 2002, GSA began an initiative known as Portfolio Restructuring, aimed at rightsizing its portfolio. The initiative has resulted in two different quantitative analyses: Tiering and the Core Asset Analysis. These analyses consider customer demand, market conditions, and an asset's financial performance and physical condition to arrive at a holding period for every asset in GSA's owned portfolio. These holding periods drive individual asset strategies and investment

¹ Property Act, 40 U.S.C. 472

decision-making to determine which assets should remain in the inventory and which should enter the disposal process.

Based on these analyses, GSA takes action to address underutilized assets, either by working to more fully utilize the asset or determining that we have no mission need and therefore declaring the property excess to the agency's needs.

As a result, GSA disposed of or demolished more than 300 assets between FY03-11, removing more than 14 million rentable square feet from the portfolio. These disposals eliminated nearly \$300 million in repair needs from GSA's owned inventory. From FY 2005, when GSA gained the ability to retain proceeds from sales, to FY 2011, GSA disposal actions have returned nearly \$245 million in receipts to the Federal Buildings Fund.

As previously mentioned, GSA monitors underutilized assets and will identify certain assets as core to its inventory (i.e., a building often can be underutilized because it is partially vacant as it undergoes renovations). When a building is underutilized, GSA works diligently with customer agencies to backfill occupancy from leased space. As a result of GSA's efforts, its vacancy rate of 5 percent is significantly lower than the 17.4 percent vacancy rate found in the private sector.

5. What is the White House's strategy to reach its estimated \$3 billion in savings?

Questions on the Administration's strategy should be directed to the Office of Management & Budget. GSA has saved more than \$300 million as a part of the \$3 billion goal outlined in the June 2010 Presidential Memorandum "Disposing of Unneeded Federal Real Estate." GSA will continue to aggressively manage our inventory to dispose of unneeded properties and increase the utilization of our buildings, and we will work in concert with the Administration and other landholding agencies to more effectively utilize real estate.

6. What was the cost of preparing the West Heating Plant for the market?

To date, GSA has spent approximately \$467,100 in due diligence and pre-sales expenses to prepare the West Heating Plant for sale. This figure includes the costs of environmental studies, boundary surveys and title work, compliance with National Environmental Policy Act (NEPA) and Section 106 Historic Preservation requirements, appraisals, and marketing activities for the sale. A breakdown of key expenses is listed below:

West Heating Plant expenses	
Phase I Study	\$15,000
Phase II Study	\$95,000
Phase III Study	\$28,775
Boundary Survey	\$15,290
Title Research	\$3,000
NEPA / Section 106	\$142,976
Appraisal*	\$19,100
Marketing Support	\$148,000
Total	\$467,141

* Estimated cost

7. Does GSA do 30-day or 60-day auctions?

The length of the auction period is determined by the number of days between the auction start and the initial soft closing date. GSA typically determines the length of the auction period based on the amount of perceived bidder interest and the amount of marketing for the property before the auction.

GSA typically employs a soft close in its online auction sales. In a soft close, GSA sets a tentative soft close date for the auction as well as a defined time increment for the soft close. On the soft closing day, if there has been any bidding activity within the defined time increment (typically 24 hours) prior to the auction closing date and time, the auction continues or "rolls over" for another time increment. This "roll over" continues until there is no activity in the defined time increment. Typical GSA online auctions roll over for a number of days past the initial soft close date. When there has been no activity within the last defined time increment, the auction closes, at which point GSA evaluates the high bid to determine whether it is acceptable to the Government.

8. Provide the rationale for retaining the Webster School.

GSA is retaining the Webster School primarily to accommodate the security requirements of the U.S. Secret Service (USSS). The USSS headquarters is an ISC Level V secure building inasmuch as a Level 5 secure building can exist in a downtown urban location. The headquarters building occupies the west end of a city block and wraps around the Webster School, which is within 15 feet of the west wall of the USSS headquarters. An 18-foot alley behind Webster School separates it from the USSS headquarters north wall (portion of the old Doggett Building incorporated into the headquarters new construction).

USSS provided GSA with funds to acquire the Webster School as a security buffer for the new headquarters with the intent of later redeveloping the older structure for office and related uses that do not require the same degree of security as the headquarters building. This goal remains germane and the security requirement continues to exist.

Another key driver for retaining the space is the possibility of housing at least 125 personnel that currently are located in leased space in the Washington metropolitan area. Consolidation of leased space would represent long-term savings to the Federal government, particularly given the ongoing security requirement for the USSS headquarters.

9. What is the strategy and the timeline for disposing of the Cotton Annex?

Given GSA's goal of reducing our inventory of underutilized properties and maximize return, GSA has initiated a comprehensive review of potential disposal and redevelopment options for the Cotton Annex. This review is scheduled for completion in Fall 2012.

10. What is the strategy or the rationale for retaining 49 L Street?

GSA originally planned to develop the property for the Court of Veterans Appeals, but they did not receive the necessary funding in FY 2012. As a result, GSA currently is evaluating optimal disposal or redevelopment options for the site. GSA is scheduled to complete its evaluation by Fall 2012.

Retention of Proceeds for Federal Agencies

Agencies	Retention of Proceeds Cols. A-C	Retention of Proceeds (Surplus Real Property Sales)
Agriculture	Yes-Forest Service	Yes-Forest Service
Commerce	No	No
Corps of Engineers	Yes	Yes
Defense	Yes	Yes
Education	No	No
Energy	No	Yes-Atomic Energy Act
EPA	No	No
GSA	Yes	Yes
HHS	No	No
Homeland Security	Yes-Coast Guard	Yes-Coast Guard
HUD	No	No
Interior		
Park Service	Yes	No
Fish/Wildlife	Yes	No
BLM	No	No
Justice	No	No
Labor	No	Yes-Job Corps Centers
NASA	Yes (EUL cash consideration only)	Yes (EUL cash consideration only)
NARA	No	No
Postal Service	Yes	Yes
SSA	No	Yes Trust Fund Property
State	No	
Foreign Opers.	Yes	Yes
Domestic Opers.	No	No
Treasury	No	No
Transportation	SLSDC	No
TVA	Yes	Yes
Veterans	Yes	Yes

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
ANCHORAGE	AK	INT AG MOTOR POOL	CLOSED	Awarded
HAINES	AK	HAINES BORSTA RES 1	CLOSED	Awarded
HAINES	AK	HAINES BORSTA RES 3	CLOSED	Awarded
PHOENIX	AZ	GSA PARKING LOT	ACTIVE	Returned to Active for Agency Use
MODESTO	CA	FEDERAL BLDG	EXCESS	Awarded
ALAMEDA	CA	FEDERAL CNTR BLDG 3	EXCESS	Awarded
LAKEWOOD	CO	DFC BLDG 47	EXCESS	Awaiting Funds for Demolition
LAKEWOOD	CO	DFC BLDG 49A	EXCESS	Awaiting Funds for Demolition
LAKEWOOD	CO	DFC BLDG 14	EXCESS	Awaiting Funds for Demolition
THOMASVILLE	GA	FB-PO-CT	EXCESS	Awarded
CEDAR RAPIDS	IA	FEDERAL BG AND US CT	CLOSED	Awarded
BURLINGTON	IA	SOCIAL SECURITY ADM	CLOSED	Awarded

			Updated Status		Disposal Status
City	State	Installation Name	Bldg Status (June 2012)		
WATERLOO	IA	SOCIAL SECURITY ADM	CLOSED		Awarded
HAMMOND	IN	BLDG 1 GSA DEPOT	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	WHSE 100-E GSA DEPOT	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	GSA WHSE BLDG 200E	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	GSA WHSE BLDG 100 W	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	PBS OPERATIONAL BLDG	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	GUARD HOUSE-MAIN GAT	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	GSA-FSS DEPOT BLDG 4	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	GSA-FSS DEPOT	ACTIVE		Returned to Active for Agency Use
HAMMOND	IN	BLDG 8-GSA DEPOT	ACTIVE		Returned to Active for Agency Use
NEW HAVEN	IN	BLDG T 127	EXCESS		Remain Excess; Environmental Hold
NEW HAVEN	IN	BLDG T 130	EXCESS		Remain Excess; Environmental Hold
NEW HAVEN	IN	BLDG T 211	EXCESS		Remain Excess; Environmental Hold
NEW HAVEN	IN	BLDG T 212	EXCESS		Remain Excess; Environmental Hold
NEW HAVEN	IN	BLDG T 213	EXCESS		Remain Excess; Environmental Hold
NEW HAVEN	IN	BLDG T 214	EXCESS		Remain Excess; Environmental Hold

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
NEW HAVEN	IN	BLDG T 215	EXCESS	Remain Excess, Environmental Hold
NEW HAVEN	IN	BLDG T 136	EXCESS	Remain Excess, Environmental Hold
NEW HAVEN	IN	BLDG T-146	EXCESS	Remain Excess, Environmental Hold
NEW HAVEN	IN	BLDG T 111	EXCESS	Remain Excess, Environmental Hold
NEW HAVEN	IN	BLDG T 124	EXCESS	Remain Excess, Environmental Hold
NEW HAVEN	IN	BLDG T 219A	EXCESS	Remain Excess, Environmental Hold
WATERTOWN	MA	GSA CD DEPOT 236	EXCESS	Remain Excess, In Progress
WATERTOWN	MA	GSA CD DEPOT 237	EXCESS	Remain Excess, In Progress
BALTIMORE	MD	APPRAISERS STORES	EXCESS	Remain Excess, In Progress
CURTIS BAY	MD	FIRE HOUSE BLDG 305	EXCESS	Remain Excess, Contamination
BALTIMORE	MD	STD MAGAZINE 921-A	EXCESS	Remain Excess, Contamination
ALPENA	MI	FEDERAL BLDG	CLOSED	Awarded
FLINT	MI	SOCIAL SECURITY BLDG	CLOSED	Awarded

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
KANSAS CITY	MO	FED CTR BLDG 6	EXCESS	Awarded
KANSAS CITY	MO	FED CTR BLDG 9	EXCESS	Awarded
KANSAS CITY	MO	FED CTR BLDG 3	EXCESS	Awarded
KANSAS CITY	MO	FED CTR BLDG 7	EXCESS	Awarded
KANSAS CITY	MO	FED CTR BLDG 10	EXCESS	Awarded
KANSAS CITY	MO	FED CTR BLDG 11	EXCESS	Awarded
KANSAS CITY	MO	FEDERAL CENTER BG 13	EXCESS	Awarded
HACKENSACK	NJ	SSA TRUST FUND BLDG-HACKENSACK	CLOSED	Awarded
SOMERVILLE	NJ	BLDG 0501 WAREHOUSE 1	EXCESS	Remain Excess Contamination
SOMERVILLE	NJ	BLDG 0502 WAREHOUSE NO 2	EXCESS	Remain Excess Contamination
SOMERVILLE	NJ	BLDG 503 WAREHOUSE NO 3	EXCESS	Remain Excess Contamination
SOMERVILLE	NJ	BLDG 0506 ADMIN BLDG DMS DEPOT	EXCESS	Remain Excess Contamination
SOMERVILLE	NJ	BLDG 0507 VAULT BLDG	EXCESS	Remain Excess Contamination

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
SOMERVILLE	NJ	BLDG 0508 GARAGE MAINT DMS	EXCESS	Remain Excess, Contamination
SOMERVILLE	NJ	BLDG 0509 FIRE P HSE	EXCESS	Remain Excess, Contamination
SOMERVILLE	NJ	BLDG 0511 SCALE HOUSE	EXCESS	Remain Excess, Contamination
OLEAN	NY	SSA TRUST FUND BUILDING	CLOSED	Awarded
NEW YORK CITY	NY	AFRICAN BURIAL GROUND MEMORIAL	CLOSED	Awarded
BINGHAMTON	NY	ADMINISTRATION BLDG-BINGHAMTON	EXCESS	Remain Excess, In Progress
BINGHAMTON	NY	WAREHOUSE #8-BINGHAMTON	EXCESS	Remain Excess, In Progress
BINGHAMTON	NY	WAREHOUSE #9-BINGHAMTON	EXCESS	Remain Excess, In Progress
BINGHAMTON	NY	WAREHOUSE #10-BINGHAMTON	EXCESS	Remain Excess, In Progress
BINGHAMTON	NY	WAREHOUSE #11-BINGHAMTON	EXCESS	Remain Excess, In Progress
BINGHAMTON	NY	WAREHOUSE #12-BINGHAMTON	EXCESS	Remain Excess, In Progress
BINGHAMTON	NY	WAREHOUSE #13-BINGHAMTON	EXCESS	Remain Excess, In Progress
BINGHAMTON	NY	WAREHOUSE #14-BINGHAMTON	EXCESS	Remain Excess, In Progress

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
NEW YORK CITY	NY	F. B. NO. 2	CLOSED	Awarded
SCHENECTADY	NY	BLDG 403-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	BLDG404 WHSEGSADPOT-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	BLDG #503 WHSE GSA D-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	BLDG505 GSADEPOTWHSE-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	BLDG506 GSADEPOTWHSE-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	ADMIN BUILDING-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	DLA GARAGE-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	OLD OFFICE BLDG-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	BLDG 22 GSA DEPOT-SCOTIA	EXCESS	Remain Excess, In Progress
SCHENECTADY	NY	BLDG 23 GSA DEPOT-SCOTIA	EXCESS	Remain Excess, In Progress
CANTON	OH	FRANK T BOW FEDERAL	EXCESS	Awarded
PORTLAND	OR	CUSTOM HOUSE	EXCESS	Awarded

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
PORTLAND	OR	511 FEDERAL BLDG	EXCESS	Remain Excess, In Progress
MARIETTA	PA	MARIETTA DEPOT	EXCESS	Remain Excess, In Progress
GUAYNABO	PR	ENGR ADMIN BLDG	EXCESS	Remain Excess, In Progress
HOUSTON	TX	UNNAMED	CLOSED	Awarded
FORT WORTH	TX	FED CTR WHSE 1	EXCESS	Awarded
FORT WORTH	TX	FED CTR WHSE 2	EXCESS	Awarded
FORT WORTH	TX	FED CTR WHSE 3	EXCESS	Awarded
FORT WORTH	TX	FED CTR WHSE 4	EXCESS	Awarded
FORT WORTH	TX	FED CTR SLAB 20	CLOSED	Awarded
FORT WORTH	TX	FED CTR BLDG 58 GAS METER HOUS	EXCESS	Remain Excess, In Progress
FORT WORTH	TX	FED CTR BLDG 90	EXCESS	Remain Excess, In Progress
FORT WORTH	TX	FED CTR SHED 105	EXCESS	Awarded

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
FORT WORTH	TX	FED CTR SHED 106	EXCESS	Awarded
FORT WORTH	TX	FED CTR SHED 32 S GUARD HOUSE	EXCESS	Remain Excess, in Progress
FORT WORTH	TX	FED CTR BLDG 47 GAS METER HOUS	EXCESS	Remain Excess, in Progress
FORT WORTH	TX	FED CTR SHED 87 LATRINE	EXCESS	Remain Excess, in Progress
FORT WORTH	TX	FED CTR BLDG 40 OFFICE	EXCESS	Awarded
FORT WORTH	TX	FED CTR SHED 31 N GUARD HOUSE	EXCESS	Remain Excess, in Progress
HIGHGATE SPRINGS	VT	MEYERS BLDG, HIGHGATE SPR	EXCESS	Awaiting Funds for Demolition
SEATTLE	WA	FED BLDG USDJ INS	CLOSED	Awarded
BLAINE	WA	STATION BLDG	CLOSED	Awarded
RHINELANDER	WI	FEDERAL BLDG	CLOSED	Awarded
POINT PLEASANT	WV	DEPOT BLDG A - ADMINISTRATION	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 9 - EQUIPMENT SHED	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 10 - CARPENTER SHOP	EXCESS	Awarded

City	State	Installation Name	Updated Status	
			Bldg Status (June 2012)	Disposal Status
POINT PLEASANT	WV	DEPOT BLDG 12 - MACHINE SHOP	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 14 - PUMP HOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 17 - FIREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 20 - WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 34 - GATE HOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG - 38 PUMPHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 100 - WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 101 - WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 102 - WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG - 103 WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG - 104 WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 105 - WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 106 - EQUIPMENT SHED	EXCESS	Awarded

		Updated Status		
City	State	Installation Name	Bldg Status (June 2012)	Disposal Status
POINT PLEASANT	WV	DEPOT BLDG - OIL HOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 109 - WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 110 - STORAGE BLDG	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG 111 - STORAGE BLDG	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BUILDING 112 - WAREHOUSE	EXCESS	Awarded
POINT PLEASANT	WV	DEPOT BLDG FALLOUT SHELTER	EXCESS	Awarded